



# SOCIAL MEDIA UPDATE:

## *Defining the Social Media Opportunity for Foodservice Suppliers*

KEEPING FOODSERVICE EXECUTIVES CURRENT ON INDUSTRY DEVELOPMENTS

By Erik Thoresen,  
*Director of Product Innovation*

**T**echnomic recently published a white paper on social media opportunities for restaurant organizations. Making the connection between restaurants and social media promotions on sites like Facebook and Twitter is relatively straightforward. However, defining the social media opportunity for foodservice suppliers is a different story.

At consumer-facing organizations like restaurants (both chains and independents) and manufacturers of branded consumer products, the opportunity is clear—social media platforms represent, first and foremost, a new channel to reach consumers.

For the foodservice supplier, the opportunities to engage in social media are different. For the supplier, effective social media activities are highly targeted and more refined. Opportunities are framed by:

- **Audience and reach.** Most foodservice suppliers (with the exception of those offering branded beverages) operate primarily in a B2B environment. This means that social media initiatives must be focused on specific user groups, such as chefs, the media or independent restaurant owners, all of whom can help pull products through distribution.
- **Platform and execution.** Blogs and collaborative platforms are more relevant than purely social sites such as Facebook, MySpace, Twitter and YouTube—the dominant channels for social media online traffic. While these platforms are consistently ranked as the most powerful social media tools online, foodservice suppliers seek platforms that facilitate a narrower, targeted subscriber base instead of the general public.

The goal of this white paper is to concisely define the current and future impact of social media for foodservice suppliers.

### *What Is a Social Media Platform?*

Social media platforms span multiple functions, including:

- **Communication/networking (Facebook and MySpace)**
- **Blogs (Wordpress and blogger)**
- **Microblogging (Twitter and Tweetpeek)**
- **Multimedia (YouTube and flickr)**
- **Review and opinion sites (Yelp and Meta Flavor)**
- **Collaborative online media (digg and Ning)**
- **Entertainment media and virtual worlds (Second Life and Club Penguin)**

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## Keeping Pace in a Changing Environment

Social media platforms are becoming more than just a consumer engagement mechanism. A recent study by the Association of National Advertisers (ANA) found that 66% of marketers utilized social media in 2009, compared to just 20% of marketers in 2007. The top social media sites being used by companies in 2009 include:

- **Facebook (74%)**
- **Twitter (63%)**
- **You Tube (65%)**
- **LinkedIn (60%)**

With such rapid technological development, the social media platforms that are available to foodservice suppliers are growing in terms of both reach and variety. Potential uses of social media include:

- **Gaining consumer insights.** The emergence of social media allows foodservice suppliers to monitor activity at the consumer level in real time and gain qualitative insights about emerging trends and shifts in consumer demand.
- **Enhanced communications.** Social media platforms can be used as low-cost media for PR and other targeted promotional initiatives.
- **Empowering and guiding employees.** Providing employees with a voice through social media makes a powerful statement internally—helping your organization engage employees in your business. Balancing this empowerment with clear limitations through well-constructed guidelines will help reduce the associated risks.

The reality is that more and more B2B social media opportunities exist today. Developing expertise and fluency in these major social media platforms is a good first step in developing a social media-aware organization.

## Capitalizing on Consumer Insights

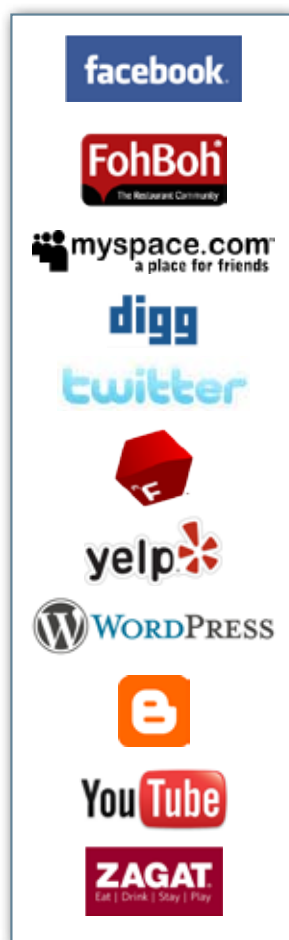
Social media platforms provide an up-close look at consumer demand. While foodservice suppliers and other B2B organizations have more limited opportunities to engage in social media than do consumer-facing organizations, the monitoring side is wide-open for gathering competitive intelligence, “listening in” on end-users of your products and learning about changes in the marketplace. Tracking consumer trends through social media platforms can provide significant benefit to R&D groups.

Recent survey data released by TNS and The Conference Board show a substantial 16 percentage point increase in just a year’s time in the proportion of Internet users who visit social media sites. In Q2 2008, 26.7% of U.S. Internet users surveyed said that they visited social media sites; the percentage grew to 42.7% in Q2 2009.

Growth across popular social media platforms allows for greater segmentation in the collection of consumer insights. The base of users of major social media sites is changing each day. For example, the fastest-growing group of Facebook members is older adults. The base of 18- to 25-year-olds represents more than a third of users, but has only grown 15% in the past year. In contrast, 26- to 34-year-olds are about a quarter of users, but numbers in this age group have doubled within a year. And older age groups (ages 35 to 65) have seen annual growth rates of 300% to 500%—in part due to their relatively small base.

By mining these consumer insights, suppliers can better serve their national accounts and operators in general. For example, suppliers can gain understanding of emerging consumer demands around topics ranging from emerging flavor profiles to nutrition-related concerns.

Just a few social media examples linked to the food industry:



## *Targeting Communications to Specific Groups*

Top leaders at corporations—large and small—are joining the social media conversation. In the chain restaurant business, McDonald's is recognized for its blogging efforts in the area of corporate social responsibility. In the B2B context, top executives at foodservice suppliers are using social media platforms to reach specific groups including investors, employees and public relations (individuals engaged in both traditional media and online/new media).

Leading social media initiatives at the corporate level requires some formalized thinking about the proper individual or individuals to take on this responsibility. An internal social media expert at the executive level should:

- **Be fluent** in core social media platforms.
- **Understand platform development** and integration of platforms.
- **Translate measurement, terminology and tactics into everyday language** for integration and strategic planning with others in the organization.
- **Guide others in using best practices for using social media** and act as a source to mediate conflicts.

One sign of the increasingly formalized presence of social media in today's organizations is the growing number of organizational positions—ranging from intern to senior vice president—that address the rising presence of social media.

Designating an individual in an organization as a social media ambassador represents an investment in both time and resources. These new positions are sure to evolve in step with innovation in social media platforms, making continuous learning an important requirement for these individuals.

## *Empowering Employees While Providing Guidelines for Success*

With more businesses joining the social media conversation and an expanding base of employees empowered to engage in social media activities on behalf of the organization, the need for employee guidelines is apparent. Some basic guidelines include:

- **Identify ground rules about sensitive information**, including content related to competitors.
- **Encourage creativity**, but give employees specific details about what they can and cannot do.
- **Focus content on relevant information** that reflects positively on your company's brand and associates.

Formal policies are increasingly required. IBM began a formal push in 2005 to encourage its employees to participate in the blogosphere. A useful benchmark for balancing corporate control with the open nature of social media can be found on the IBM social computing website ([www.ibm.com/blogs/zz/en/guidelines.html](http://www.ibm.com/blogs/zz/en/guidelines.html)). Another resource is the UK's Chartered Institute of Public Relations Social Media Guidelines ([www.cipr.co.uk/socialmedia/](http://www.cipr.co.uk/socialmedia/)).

Guidelines should continue to evolve as new technologies and social networking platforms become available. Social media policies should embrace collaboration and creativity while reminding employees, "Don't forget your day job."

## *Rules of Engagement—How the U.S. Air Force Responds to Bloggers*

The “blog response considerations” below were developed for the Air Force public affairs staff.

- **Transparency**—disclose your Air Force connection
- **Sourcing**—cite your sources by including hyperlinks, video, images or other references
- **Timeliness**—take time to create good responses
- **Tone**—respond in a tone that reflects highly on the rich history of the Air Force

The Air Force also recommends that staff members do not respond to negative posts (designating them as “monitored only”) except in select instances where it is necessary to “fix the facts” by responding with factual information or in situations where the Air Force is rectifying an issue with a specific solution.

## *Assessing Your Organization*

The reach of social media is widespread and growing rapidly. Clearly, the social media phenomenon is on the move. To put things into perspective, it took radio 38 years to reach a total audience of 50 million. It took television 13 years; the Internet four; the iPod three. Facebook hit an audience of 50 million in two years and has increased 50% to about 300 million users in the last six months alone.

There are four basic questions that foodservice suppliers should ask when developing a strategic social media roadmap:

1. **What platforms** make the most sense for our organization to have a presence? For which ones should we just “listen in?”
2. **In what ways can our organization systematically track** social media “conversations” and the effectiveness of our social media initiatives?
3. **How can we internally implement a system** that allows us to continuously learn and adapt to changes in social media technology?
4. **How will our organization define success** in social media?

The key to organizational assessment in the realm of social media is simple. Do it often. Reinvention and redefinition are the very nature of social media. When Facebook decided to overhaul its platform, it turned to its users to determine the future of the site. While monitoring the trade can help your organization keep an eye out for the next big thing, be sure to look at social media as an internal opportunity as well. Businesses rely on effective communication and social media can help facilitate the discussion.

## NEXT STEPS

To receive a preview of the preliminary results from our upcoming consumer survey research on social media, contact Erik Thoresen at 312-506-3854 or ethoresen@technomic.com.